IN THE

Supreme Court of the United States

OCTOBER TERM, 1968

NO. 497

THE BORDEN COMPANY, SAFEWAY STORES, INC., L. D. SCHREIBER & CO., L. D. SCHREIBER CHEESE CO., HAYSSEN MANUFACTURING COMPANY, FRIGO BROTHERS CHEESE CORPORATION, and CONCORD CHEESE CORPORATION,

Petitioners,

v.

NATIONAL DAIRY PRODUCTS CORPORATION,

Respondent.

BRIEF OF RESPONDENT, NATIONAL DAIRY PRODUCTS CORPORATION, IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

JOHN T. CHADWELL
EDWIN M. LUEDEKA
VICTOR P. KAYSER
C. LEE COOK, JR.
135 South LaSalle Street
Chicago, Illinois 60603
Attorneys for Respondent

Of Counsel:

JOSEPH V. GIFFIN
CHADWELL, KECK, KAYSER, RUGGLES & MCLAREN
135 South LaSalle Street
Chicago, Illinois 60603
RAndolph 6-2545

DONALD W. CARLIN
ANDERSON, LUEDEKA, FITCH, EVEN & TABIN
135 South LaSalle Street
Chicago, Illinois 60603
FRanklin 2-7842

PAUL R. PUERNER
MICHAEL, BEST & FRIEDRICH
626 East Wisconsin Avenue
Milwaukee 1, Wisconsin
414-271-6560

TWENTIETH CENTURY PRESS, INC., CHICAGO 60606

INDEX

	PAGE
QUESTION PRESENTED	2
STATEMENT OF THE CASE	2
History of the Case	3
The Subject Matter of the Patent	4
The Swift-Pauly Alleged Prior Use	5
ARGUMENT	7
I. In Reversing the Trial Court the Court of Appeals Properly Applied the Criteria Established by This Court in Graham v. John Deere Co.	7
II. Petitioners' Other Attacks on the Court of Appeals' Decision Are Without Merit	11
A. There Was No Procedural Error in the Court of Appeals' Decision	11
B. The Court of Appeals' Decision Does Not Negative the Provisions of Section 103	12
C. The Court of Appeals Considered All Prior Art Including the Swift-Pauly Use	14
D. The Facts Relied Upon by the Court of Appeals Were Fully Supported by the Findings of the Trial Court and the Record	15
CONCLUSION	19

CITATIONS.

Cases.

PAGE

Corona Co. v. *Dovan Corp.*, 276 U.S. 358 (1928) 16

Graham v. *John Deere Co.*, 383 U.S. 1 (1966) ...7, 8, 9, 10

Lyon v. *Bausch & Lomb Optical Co.*, 224 F.2d 530 (2d Cir. 1955), *modified on other grounds*, 224 F.2d 538 (2d Cir. 1955) 16

United States v. *Adams*, 383 U.S. 39 (1966) 14

Statutes and Rules.

Fed. Rule Civ. Proc. 52(a) 11

35 U.S.C. § 102 .....12, 13

35 U.S.C. § 103 .....3, 8, 12

IN THE

Supreme Court of the United States

OCTOBER TERM, 1968

NO. 497

THE BORDEN COMPANY, SAFEWAY STORES, INC., L. D. SCHREIBER & CO., L. D. SCHREIBER CHEESE CO., HAYSSEN MANUFACTURING COMPANY, FRIGO BROTHERS CHEESE CORPORATION, and CONCORD CHEESE CORPORATION,

Petitioners,

v.

NATIONAL DAIRY PRODUCTS CORPORATION,

Respondent.

BRIEF OF RESPONDENT, NATIONAL DAIRY PRODUCTS CORPORATION, IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

The subject matter of this litigation is United States Patent No. 2,919,990, which issued January 5, 1960 (sometimes referred to as the "Podlesak patent") (DTX 5, IV. 142; A-3).[1] The patent is directed to a new method suit-

1. In this Brief, reference to the Joint Appendix in the Court of Appeals, filed as a part of the record of this case, will be by volume and page, *i.e.* (I. ...). In addition, the following abbreviations are used:

PTX—Plaintiff's trial exhibit
DTX—Defendants' trial exhibit
Pet. —Petition for Certiorari
A- —Appendix A to Pet. (Opinion of District Court)
B- —Appendix B to Pet. (Opinion of Court of Appeals)
D.Br.—Brief of Defendants-Appellees in the Court of Appeals.

Throughout this Brief, where emphasis appears in quotations, it has been supplied by us unless otherwise indicated.

able for packaging cheese and other products susceptible to mold growth and other deterioration.

The Court of Appeals for the Seventh Circuit, by the unanimous decision of a panel headed by Chief Judge Hastings, reversed the judgment of the trial court and held the patent valid (Appendix B to Petition). Petitions for a rehearing were denied. Since the cases had only been partially tried,[2] they were remanded to the trial court for trial on the remaining issues, and are now pending there.

The decision by the Court of Appeals does not present any unsettled or disputed question of federal law. There is no conflict between the decision and any decision of this Court or of any Court of Appeals.

QUESTION PRESENTED

Petitioners have not correctly stated the issue which would be presented to this Court if it were to grant the writ. The issue would be:

> Whether the Court of Appeals erred when it followed carefully the guidelines established by this Court and held, on the basis of the findings of fact of the trial court and the undisputed facts in the record, that the trial court had erred in concluding, as a matter of law, that the method of the patent was obvious at the time of its invention?

STATEMENT OF THE CASE

Respondent considers the Statement of the Case included in the Petition incomplete and misleading and, accordingly, makes this counterstatement.

---

2. The trial court separated the issues and ordered a separate trial on the issue of validity (I. 42-43).

History of the Case

Respondent, National Dairy Products Corporation (National Dairy), brought an action against The Borden Company (Borden) and Hayssen Manufacturing Company (Hayssen) in which Borden was charged with using a method which infringed the patent in suit and Hayssen was charged with supplying Borden with machines intended for use in the practice of the method (I. 14-17, 24-26). Subsequently, the identity of others using Hayssen equipment to practice the method charged to infringe was determined and additional suits were brought by respondent (I. 27-40, 96-99). The trial court consolidated the various cases in the district for trial solely on the issue of validity, which is the only issue tried by the trial court, reviewed by the Court of Appeals and presented for review in the Petition (I. 42-43; A-1; B-2; Pet. 4). The issue of infringement still remains to be tried in the trial court.

In the trial court, the defenses raised were anticipation, prior public use at the Pauly plant of Swift & Company (Swift-Pauly), obviousness under 35 U.S.C. §103, and many other defenses frequently raised in patent suits.

The trial court held that the invention was not anticipated by the prior art or by the alleged prior use (A-14 to 17; B-4, n. 5), and rejected all other defenses except obviousness (A-22 to 25). As to that defense, the trial court held that the invention "was obvious in view of the prior art as epitomized in the operations at Swift-Pauly," although it characterized the question as "close" (A-19, 25). The court concluded:

> "In the instant case the finding of obviousness is based on evidence of the practice of a packaging method [Swift-Pauly] which demonstrates the combination of pertinent disclosures of the prior art of Ingle, Campbell, and Maxfield" (A-20).

The trial court made no findings of fact or conclusions of law separate from its opinion (A-25). Contrary to the impression it might create, petitioners' Appendix D is not a set of findings entered by the trial court but instead is petitioners' compilation and arrangement of portions of isolated statements contained in the trial court's opinion which petitioners apparently believe are favorable to their position.

Respondent appealed to the Court of Appeals for the Seventh Circuit on the ground that the trial judge erred in his conclusion of obviousness because he failed to apply the law properly to the facts and to his own findings concerning the prior art as epitomized by the Swift-Pauly practices, and because he ignored the significance of those of his findings which affirmatively showed that the invention was beyond the skill of the art.[3] Petitioners filed no cross appeal and did not attack the trial court's findings or conclusions.

The Subject Matter of the Patent

The invention of the patent in suit involves a *method* for packaging individual units of cheese or the like in a package filled with a preservative gas atmosphere substantially free of mold-inducing air. In general, the method involves the placing of multiple units of cheese in a moving tube of plastic packaging material sealed at its forward end and constantly flooded with preservative gas. The introduction of the gas and the progressive collapsing of the packaging tube cause a counterflow or back flush of the gas out the open end of the tube, thereby "scrubbing" the surfaces of the multiple units of the cheese in the moving tube and sweeping out the entrapped air (DTX 5, IV.

3. See Brief for Plaintiff-Appellant in the Court of Appeals, pp. 29-31.

142, 145-50; III. 1277-78). As a result, the units of cheese travel into an increasing concentration of preservative gas so that, as the packaging tube is progressively collapsed over and between the individual units of cheese and the wrapper cross sealed and cut into individual packages, the cheese is surrounded by an atmosphere of preservative gas substantially free of air (A-2 to 9; B-2 to 3).

As the trial judge found, the invention made possible for the first time the economical packaging of cheese in a plastic wrapper at high speed and with a substantially extended shelf life or "keeping quality"—all without the use of any of the slow, inefficient or undesirable prior art methods such as chemical mold treatment, tightly clinging wrappers, or vacuum (A-21; III. 1168).

The Swift-Pauly Alleged Prior Use

The Swift-Pauly work, upon which petitioners rely, had its genesis in the same needs and problems that were experienced by the rest of the industry. In 1950, Swift-Pauly was attempting to devise a method of packaging sliced process cheese to overcome the problems of mold and deterioration (DTX 70, V. 594). This work continued until early 1954, a period of almost four years (A-11, I. 216-17, 286). The persons involved from Swift and its Pauly subsidiary included not only scientists and "Ph.D.s," but also skilled researchers, engineers and practical machinery men.[4] They were looking for a method, *any* method, by

4. Involved were Drs. Buyens and Richie of Swift's research laboratories; Dr. James Ingle and chemical engineer Arnold Nawrocki, the inventors of the Ingle-Nawrocki patent; Richard Trelease, another dairy scientist; others from Swift; and two practical machine men at Pauly, Benedict Muelemans and James Johanski (I. 201-09, 237-39, 329-30, 355, 359-68, 423-26; see also B-5, n. 7).

which cheese could be packaged so as to insure an extended shelf life (B-6).

The Swift-Pauly workers tried a great variety of procedures and devices in an effort to create a package with adequate keeping quality. Over a four-year period, they tried dipping the cheese in vinegar prior to packaging, subjecting the cheese, both before and after packaging, to special heat treatments, dipping the cheese in acid, inserting treated paper between slices of cheese, using sterile lamps and air treatment, requiring employees to wash in special solutions every few minutes, and antimycotics (chemical mold inhibitors) (DTX 70, V. 604-05, 614, 616, 618, 625-27, 629, 636; DTX 60, IV. 539-41; DTX 77, V. 700-05; I. 255-57, 476, 488; II. 511-17). Their principal efforts centered around the Swift-Pauly vacuum packaging method (involving the use of CO_2 gas to increase the vacuum, the method of the Ingle patent, DTX 50, IV. 516; A-14) which the trial judge found epitomized the teachings of the prior art and which he held rendered the Podlesak process obvious (A-19). Yet during this four-year effort, the method of Podlesak never occurred to the Swift-Pauly workers, and they abandoned their efforts (A-18; I. 286). The level of skill of these workers, as high as it was, was not sufficient to enable them to discover the method of Podlesak.

The trial judge found that the Swift-Pauly operation was not a practice of the method of the patent in suit (A-15, 16) and noted a number of specific differences between the Swift-Pauly operation and the claimed method.[5] Most

---

5. The Swift-Pauly method:
   a) utilized an imperfect rather than a complete transverse seal (A-16);
   b) lacked a perfect longitudinal seal which would allow for enclosure of a plurality of units within a sealed tube having a single open end (A-16);

significant is his finding that the Swift-Pauly method was "*addressed to a basically different packaging concept* from that of Podlesak" (A-15) and that there was "insufficient identity of function and result to support a determination of anticipation" (A-16).[6]

After reviewing the 2800-page record and considering the findings of the trial court, the Court of Appeals held that the trial court's conclusion that the method was obvious was erroneous and reversed the holding of the trial court, remanding the case for completion of the trial.

ARGUMENT

I. IN REVERSING THE TRIAL COURT, THE COURT OF APPEALS PROPERLY APPLIED THE CRITERIA ESTABLISHED BY THIS COURT IN GRAHAM v. JOHN DEERE CO.

Contrary to the argument of petitioners, the opinion of the Court of Appeals makes it abundantly clear that it carefully reviewed the opinion of the trial court, and that it was clearly aware of this Court's decision in *Graham* v.

---

c) did not release gas downstream of a plurality of units in a tube (A-17);

d) provided deliberate structural impediments to gas flow from the sealed to the open end of the tube (A-16);

(See also B-5, n. 6).

6. Petitioners refer to a statement of the trial judge that the "*literal language* of the claims of Podlesak may be read on the gas flushing portion of the Swift-Pauly operation" (Pet. 4). However, if interpreted as now claimed by petitioners, this statement of the trial judge is inconsistent with his express finding that the Swift-Pauly operation did *not* anticipate the patent in suit (A-15), and in their brief on appeal to the Seventh Circuit, petitioners adopted and approved *all* of the trial court's findings and conclusions including the holding of non-anticipation (D.Br. 23).

John Deere Co., 383 U.S. 1 (1966), and fully complied with it (B-3 to 5). Indeed, the opinion of the Court of Appeals contains no less than four specific references to the *John Deere* case (B-3, 4, 5, and 7).

It was only on the conclusion of obviousness that the Court of Appeals reversed, stating:

> "We agree with both the district judge's description of the prior art and his enumeration of the differences between that art and the Podlesak method. We disagree, however, that *'any mechanic' skilled in the art, even after viewing the Swift-Pauly operation in all its aspects, would readily recognize the modifications in that operation necessary to achieve Podlesak, thereby rendering the latter method obvious.*
>
> The very fact that those in charge of Swift-Pauly operations, all of whom were skilled and experienced in the art, *did not after four years of work, develop* the Podlesak method is strong evidence that the invention was not obvious. This evidence of nonobviousness is strengthened by the fact that the Swift-Pauly work with gas, embodied in the combination of the Ingle and Campbell teachings, was finally abandoned sometime in 1954" (B-5 to 6).

Under Section 103 of the Patent Statute (35 U.S.C. §103), in order for an invention to be invalid, it must be shown that "the [patented] subject matter as a whole would have been obvious *at the time the invention was made* to a person having ordinary skill in the art to which said subject matter pertains." In concluding that the invention was obvious, the trial court clearly used hindsight because the record and his own factual findings made it clear, as the Court of Appeals held, that the level of skill in the art was *not* such as to make the method obvious at the time the invention was made.

It is difficult to understand petitioners' complaint that the Court of Appeals applied the wrong standard for the level of skill in the art (Pet. 8). In their briefs in the Court of Appeals, they admitted that the "Swift-Pauly prior operations . . . showed the known measure of the skill of the art . . ." (D.Br. 42); that the Swift-Pauly workers were "skilled in the packaging art" (D.Br. 41-42); and that the Swift-Pauly workers were "highly skilled expert[s]."[7] Yet these "experts" searched four years and, as the trial court found, they never achieved the concept, the function or the results of Podlesak (A-15, 16) even though they worked with the very prior art relied upon by petitioners (A-11, 14-15). Here there was no need for conjecture, the invention was *demonstrated* to be *not* obvious to those admittedly highly skilled in the art.

While not the principal basis of the Court of Appeals' decision, the trial court's (A-20, 21) findings on the "secondary considerations" referred to in *John Deere* are also inconsistent with a holding of obviousness. The Court of Appeals summarized these findings as follows:

> "As the Supreme Court indicated in *John Deere*, 'Such secondary considerations as commercial success, long felt but unresolved needs, failure of others, . . . might be utilized . . . as indicia of obviousness or non-obviousness, . . .' 383 U.S. at 15, 16. Applying these considerations to the instant case, we observe that for a substantial period of time before 1954, the cheese industry sought improved methods of packaging to achieve an attractive product with long shelf life that could be produced efficiently at a low cost. Many methods in use by 1954, including air exhaustion, antimycotics, and combinations of vacuum and gas flushing,

---

7. Petition For Rehearing and/or For Clarification of Decision, filed by Petitioners herein Hayssen, Safeway, Frigo and Concord, pages 4 and 5; see also B-5, n. 7.

all required various hand operations on individual units which increased costs and reduced efficiency. In marked contrast to these other methods, the district court found, 'Plaintiff, by use of this method, realized substantial savings, faster production and sufficient shelf life of the product to permit elimination of local packaging plants.' We believe that these prior unsuccessful attempts to satisfy this long felt need in the cheese industry are strong indicia that the Podlesak method, successfully achieving aims so long sought, was not obvious.

• • •

By looking backward, after an invention has been conceived and put to practical test, the inventive-level concept may appear simple and capable of easy realization by those who are skilled in the art. This sort of view has a certain logical allurement in the instant case. Yet it must be remembered that those who combined the Campbell and Maxfield teachings, the Swift-Pauly workers, skilled as they were, did not hit upon the idea which is central to the Podlesak method. Even Podlesak and his coworkers, despite their skill in the art, conceived their idea only after months of experimentation. In these circumstances, what we said in *Zegers* v. *Zegers, Inc.*, 365 F. 2d 156, 159 (7th Cir.), *cert. denied*, 385 U.S. 948 (1966) is pertinent, 'There is no doubt, . . . that the fact that the solution to a problem is simple, or appears so, when viewed in retrospect, does not mean the solution was obvious when it was made, and that courts must guard against the exercise of hindsight in assessing the obviousness of a given improvement in the art'" (B-7 to 9).

In view of the foregoing, it is clear that all of the guidelines established by this Court in *John Deere* were carefully followed by the Court of Appeals. Its decision to reverse the trial court was correct.

II. PETITIONERS' OTHER ATTACKS ON THE COURT OF APPEALS' DECISION ARE WITHOUT MERIT.

A. There Was No Procedural Error in the Court of Appeals' Decision.

Petitioners rely on the trial court's statement that modifying Swift-Pauly to produce the patented method was "within the skill of any mechanic *seeking to improve the force of the flow of atmosphere in the particular environment*" (A-17), contending that this is a finding of fact which the Court of Appeals either ignored or rejected in violation of Rule 52(a) (Pet. 10, 11). But in this statement, the trial court *assumed,* by hindsight, the legal conclusion in issue, namely that its mythical skilled worker *would know the principles and concept* of the Podlesak process and was seeking only the mechanical changes necessary to convert the Swift-Pauly practices to that process. Nothing in the prior art taught, suggested, or made obvious the concept of the Podlesak method.

The Court of Appeals reversed because it disagreed with the trial court's *legal conclusion* on the issue of obviousness. Petitioners concede that the issue of obviousness is one of law (Pet. 8) which is not subject to Rule 52(a) and which may therefore be reviewed by the Court of Appeals as any other question of law. Based on the facts as shown by the record and as specifically found by the trial court, the Court of Appeals reached the opposite *legal* conclusion. In doing so, the Court of Appeals did nothing inconsistent with Rule 52(a) because its conclusion is fully supported by the following findings of the trial court, many of which petitioners have avoided mentioning:

a) The Swift-Pauly operations "epitomized" the prior art and "demonstrate[d] the combination of pertinent disclosures of the prior art of Ingle, Campbell and Maxfield" (A-19, 20);

b) The persons involved in the Swift-Pauly operation were "persons skilled in the art of wrapping perishable products such as cheese" (A-19);

c) the Swift-Pauly workers did not have the concept of the Podlesak invention (A-15);

d) the Swift-Pauly process differed from Podlesak in a number of critical respects (A-16, 17);

e) the Swift-Pauly work differed from Podlesak in function and result (A-16);

f) after four years of work, the Swift-Pauly efforts were abandoned (A-13, 18).

Thus, the Court of Appeals did not reject findings of the trial court. It merely recognized that the trial court had drawn the wrong legal conclusion from its findings.

B. The Court of Appeals' Decision Does Not Negative the Provisions of Section 103.

The Court of Appeals made note of the fact that the skilled Swift-Pauly workers were unable to discover the concept of the Podlesak invention saying:

> "The very fact that those in charge of Swift-Pauly operations, all of whom were skilled and experienced in the art, did not, after four years of work, develop the Podlesak method is strong evidence that the invention was not obvious" (B-5).

From this, petitioners argue that "if the failure of the Swift-Pauly work to constitute an 'anticipation' under Section 102 is 'strong evidence' of lack of obviousness, then Section 103 in effect adds nothing to the law" (Pet. 9). This assertion is a distortion of the Court of Appeals' statement.

The Court of Appeals did not hold, as petitioners imply, that a failure to anticipate negatives obviousness. Indeed,

the portion of the Court of Appeal's opinion quoted by petitioners (Pet. 9) does not even mention Section 102 or the word "anticipation". What the Court of Appeals decided was that where, as here, many highly skilled workers, working with all of the tools of the prior art, were striving to achieve the results of the patented method and, despite "four years of work", failed to discover the concept, function or result of the invention, that fact is strong evidence that the invention was not obvious. Thus, it was *not* "the failure of the Swift-Pauly work to constitute an 'anticipation' under Section 102" (Pet. 9) which the Court of Appeals found to be significant—it was the failure of the admittedly highly skilled workers at Swift-Pauly to find the supposedly "obvious" solution to the problem after an extended period of work.

Petitioners contend that the Swift-Pauly workers were seeking a different result and that this was the reason they did not follow the Podlesak approach (Pet. 10). The ultimate result sought by both Swift-Pauly and Podlesak was a keeping package of cheese which could be made economically by any method they could find or devise (DTX 70, V. 594; B-6). This Podlesak achieved. The reason that neither Swift-Pauly nor anyone else followed the approach of Podlesak is clear. The teachings and beliefs of the art lead away from the Podlesak method (B-6). Skilled workers in the field did not believe that the use of a preservative gas alone in cheese packaging without vacuum and a tight fitting wrap would produce a satisfactory package. This belief was shown explicitly in the patent issued to Ingle and Nawrocki, two of the Swift-Pauly workers, which describes the Swift-Pauly work (DTX 50, IV. 516, col. 1, lines 36-47; col. 2, lines 40-44; A-14; see also p. 17, *infra*), as well as by the testimony of a Borden official who admitted that before he became familiar with the Podlesak invention he

did not believe that a satisfactory package could be achieved using gas alone (II. 662-63, 698). As the Court of Appeals said:

> "The Swift-Pauly workers were in pursuit of the same end result as that achieved by Podlesak—a mold-free cheese packaging method — yet they did not recognize the value of using gas alone to displace mold-inducing air. Instead, they relied on a vacuum to displace the air, using gas as an incidental aid in creating the vacuum" (B-6).

Thus, as in *United States* v. *Adams*, 383 U.S. 39, 51-52 (1966), the Swift-Pauly workers followed the teachings of the art and failed; Podlesak ignored the teachings of the art and succeeded.

C. The Court of Appeals Considered All Prior Art Including the Swift-Pauly Use.

Petitioners erroneously assert that the Court of Appeals ignored the other prior art and viewed only the Swift-Pauly operations in determining the validity of the Podlesak patent (Pet. 11). The Court of Appeals specifically discussed the prior art patents of Campbell, Maxfield, and Ingle-Nawrocki (B-3, 4), the patents which the trial court had singled out as the most pertinent (A-9, 10, 14), and also considered the six other patents which the petitioners had relied on in the trial court (B-4, n. 4). In addition, the Court of Appeals discussed the other prior methods in use in 1954 and the prior art efforts to solve the problem (B-7, 8).

In any event, the Court of Appeals was justified in focusing its principal attention on the Swift-Pauly operation because the trial court had found that Swift-Pauly "epitomized" the prior art (A-19) and that it demonstrated "the combination of pertinent disclosures of the prior art

of Ingle, Campbell and Maxfield" (A-20). In the Court of Appeals, petitioners asserted that "The findings of fact made by the Trial Court are fully supported by the evidence" (D.Br. 23). At this late date, their contention that the Swift-Pauly practices do not represent the combination of the pertinent prior art rings hollow indeed.

D. The Facts Relied Upon by the Court of Appeals Were Fully Supported by the Findings of the Trial Court and the Record.

Petitioners have erroneously charged that the Court of Appeals substituted "certain 'facts' for opposite critical findings of fact which were made by the District Court and fully supported by the evidence" (Pet. 13). The statements of the Court of Appeals complained of by petitioners are set out in italics in the Petition and we do so here for convenience.

"The very fact that those in charge of Swift-Pauly operations, all of whom were skilled and experienced in the art, did not, after four years of work, develop the Podlesak method is strong evidence that the invention was not obvious" (B-5; Pet. 13).

This statement is fully supported by the trial judge's findings. He found that the Swift-Pauly operation lasted from 1950 to 1954 (A-11). He also found that the process developed by the Swift-Pauly workers had neither the concept, function nor result of Podlesak (A-15, 16). As pointed out above, petitioners themselves in the Court of Appeals admitted that the Swift-Pauly operations showed "the known measure of the skill of the art" (D.Br. 42). They cannot now complain that the Court of Appeals erred in relying in part on the fact that workers skilled in the art were unable to develop the Podlesak process but in-

stead developed an unsuccessful process which "epitomized" the prior art and which was abandoned (see p. 6, *supra*).

"[T]he Swift-Pauly work with gas, embodied in the combination of the Ingle and Campbell teachings, was finally abandoned sometime in 1954" (B-6; Pet. 14).

This statement is also fully supported by the trial judge's findings. He found that the Swift-Pauly work was abandoned in 1954 (A-13, 18) and that it embodied a combination of the teachings of the Ingle and Campbell patents (A-14, 15). Relying on *Corona Co.* v. *Dovan Corp.*, 276 U.S. 358 (1928), petitioners urge that this abandonment has no legal significance (Pet. 14). That case, however, is inapposite. In *Corona*, there had been a prior conception and reduction to practice *of the precise invention claimed*. Moreover, this Court found that the prior inventor in *Corona* had *not* abandoned his invention (276 U.S. at 382-83). Here, on the other hand, there was no conception or reduction to practice of Podlesak by the Swift-Pauly workers, and they worked continuously to find a way to package employing gas and vacuum together with various other expedients (see pp. 6-7, *supra*). All of this work fell far short of the claimed invention and *was* abandoned—a fact which certainly can and should be taken into account on the issue of obviousness. *Lyon* v. *Bausch & Lomb Optical Co.*, 224 F.2d 530, 534-35 (2d Cir. 1955), *modified on other grounds*, 224 F.2d 538 (2d Cir. 1955), *cert. denied*, 350 U.S. 911 (1955).

"Despite the knowledge and skill of the Swift-Pauly workers, their experiments led them away from the Podlesak method" (B-6; Pet. 14).

It is difficult to see how petitioners can dispute this statement. Despite the fact that both Swift-Pauly and the Podlesak workers had the same ultimate objective—namely

a solution to the packaging problem which plagued the industry (B-6), the trial court found that the Swift-Pauly workers were led to pursue a different packaging concept (A-15). Indeed, the fact that the Swift-Pauly work led away from the Podlesak method is shown by the Ingle-Nawrocki patent which grew out of and described that work and which specifically expressed the belief (DTX 50, IV. 516, col. 1, lines 36-47; col. 2, lines 40-44; A-14) that a satisfactory package could not be produced through the use of gas alone (which is exactly what the patented method does), and that intimate contact between the wrapper and product was essential to keeping quality (which is not required under the patented method). The fact that Swift-Pauly eventually went to antimycotics (DTX 70, V. 636-40, 649-52) also shows that they were able to get a more satisfactory package with the antimycotics than with their unsuccessful process which they had struggled with for four years.

"[S]hortly before the Swift-Pauly work with gas was abandoned, its researchers concluded that 'CO, content is of little importance in mold inhibition'" (B-6; Pet. 15).

The conclusion by the Swift-Pauly workers that "CO, content is of little importance in mold inhibition" was made in a Swift research report in October 1953 (DTX 70, V. 648) after the four years of experimentation. Petitioners' efforts to explain away the obvious effect of this statement cannot conceal the fact that the Swift-Pauly work was in fact abandoned shortly after the report in which this statement was made (I. 286).

"But such an unwitting prior use does not evidence obviousness in a later invention; in fact it indicates just the opposite" (B-6; Pet. 16).

The precise language of the trial court is significant here:

> "The *principle of gas flushing*, to the extent it was followed in Swift-Pauly and disclosed in the Ingle patent, was practiced *unwittingly* without the realization that it could be utilized for less cumbersome, faster, less expensive and yet satisfactory packaging method" (A-16).

The trial judge thus found that whatever gas flushing there might have been at Swift-Pauly was unwitting. He did not find that there had been an unwitting public use of the Podlesak method itself. On the contrary, he found that there had been *no* use of the Podlesak method for numerous reasons (A-16, 17).

"The worth of the Podlesak method is further indicated by its arrogation by many other cheese packagers in competition with Kraft. Such arrogation can hardly comport with a finding of obviousness" (B-8; Pet. 17).

Petitioners are being less than candid in implying that there was no evidence of use of the patented method by others in the industry. Petitioners are well aware that defendant Hayssen has made a great many machines the use of which is charged to infringe the patent, including those for all the parties who have been sued (PTX 359-B, VI. 1034, III. 1365). Robert Bush, the chief engineer and vice-president of the petitioner Schreiber, admitted infringement in the following statement in a letter which he wrote after he became aware of the patent in suit:

> "[E]nclosed is a copy of the Kraft patent on gas flushing. If you will read it carefully *I think you will find that it very well covers the method introducing gas as used on the Hayssen machine* and anyone who introduces gas in this manner is probably violating the Kraft patent" (PTX 417, VI. 1096).

See also the testimony of defendants' witness Johanski who described the packaging method used by defendant Safe-

way in terms paraphrasing the claims of Podlesak (I. 412-14). Moreover, the trial court found that:

> "Not until on or about the time of the alleged infringements did the packaging industry offer machinery permitting practice of a method based on air replacement by gas atmosphere offering advantages similar to those of the Podlesak method" (A-21).

While the issue of infringement has admittedly not been tried, the evidence of it need not be ignored.

CONCLUSION

The Petition for Certiorari merely seeks to have this Court review the issue of the validity of a patent which the Court of Appeals has already thoroughly considered following the guidelines laid down by this Court. The Petition should be denied.

Respectfully submitted,

JOHN T. CHADWELL
EDWIN M. LUEDEKA
VICTOR P. KAYSER
C. LEE COOK, JR.
135 South LaSalle Street
Chicago, Illinois 60603
Attorneys for Respondent

Of Counsel:

JOSEPH V. GIFFIN
CHADWELL, KECK, KAYSER, RUGGLES & MCLAREN
135 South LaSalle Street
Chicago, Illinois 60603
RAndolph 6-2545

DONALD W. CARLIN
ANDERSON, LUEDEKA, FITCH, EVEN & TABIN
135 South LaSalle Street
Chicago, Illinois 60603
FRanklin 2-7842

PAUL R. PUERNER
MICHAEL, BEST & FRIEDRICH
626 East Wisconsin Avenue
Milwaukee 1, Wisconsin
414-271-6560